



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET  
ATLANTA, GEORGIA 30303-8960

SITE: Sikes Oil  
BREAK: 2.9  
OTHER: \_\_\_\_\_

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4SFD-ERRB

**ACTION MEMORANDUM**

**SUBJECT:** Request for Ceiling Increase and Exemption from the Twelve Month Statutory Limit for the Removal Action being conducted at the Sikes Oil Site, Arcade, Jackson County, Georgia.

**FROM:** Benjamin Franco, On-Scene Coordinator  
Emergency Response and Removal Branch

**TO:** Franklin Hill, Acting Director  
Superfund Division

Site ID #: A4KM

**I. PURPOSE**

The purpose of this Action Memo is to request an exemption from the 12 month statutory limit and to document approval of a ceiling increase of \$230,000 for a new site total of \$620,000 to continue a removal action at the Sikes Oil Site (the Site), located in Arcade, Jackson County, Georgia. The Site collected used oil from industry and sold it to asphalt plants where the used oil was burned in aggregate kilns. A site investigation confirmed the presence of used oil containing high levels of cadmium, lead, chrome and halogen in above storage tanks.

**II. SITE CONDITIONS AND BACKGROUND**

**A. Site Description**

**1. Removal Site Evaluation**

The Site is a former used oil processor that ceased operations on June 2005. On June 19, 2005, an explosion occurred at Joe Sikes Oil Service, Inc., located in Arcade, Georgia. This explosion killed a driver that was offloading waste oil into one of the tanks. The tanker truck was completely destroyed and a



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portion of a building was damaged by the fire. This Site generated local, State and Federal interest and EPA, OSHA, the GA State Fire Marshall Office and the City of Arcade investigated the facility.

An EPA OSC responded to the emergency and oversaw the initial response actions. Fuel released from the tanker truck was contained to a nearby drainage ditch and did not reach navigable waters. The responsible party removed remaining oil with a vacuum truck, excavated the contaminated soil and deposited it in several roll-offs to be disposed at a later time. On June 22, 2005, OSHA inspected the facility and conducted sampling of several tanks and found material in tanks that were below the 140 °F flash point criteria. Waste with a flash point less than 140 °F is an ignitable hazardous waste (D001). Because the facility was still active at the time, EPA's Resource Conservation and Recovery Act ( RCRA) program took the enforcement lead. On July 15 and July 22, 2005, EPA RCRA personnel conducted inspections at the Site and discovered several violations of the used oil regulations. On August 16, 2005, EPA conducted a Spill Prevention, Control, and Countermeasures (SPCC) inspection. This inspection identified an inadequate SPCC plan and that spill containment measures were not properly implemented in the field.

On August 25<sup>th</sup>, 2005, EPA issued a RCRA order to the owner/operator of Joe Sikes Oil Services, Inc. to comply with the used oil RCRA requirements. This order required the implementation of site access controls, sampling of all tanks and inventory preparation, proper labeling of tanks, and the disposal of the stored material.

This facility was also investigated at the state and local level. On June 22, 2005, the Georgia State Fire Marshal Office conducted a facility inspection and found numerous fire code violations. Samples from several tanks indicated flashpoints that categorized the material as Class I, Class II, and Class III flammable liquids. According to the Georgia State Fire Marshall Office, the facility was not approved to store flammable or combustible liquids. Because of this, the facility's tanks were red-tagged and the responsible party was required to submit a correction plan that would address the violations. On July 11, 2005, the City of Arcade revoked the responsible party's business license pertaining to Joe Sikes Oil Services and R&W Sanitation. The City will reissue a license once the business can show that it is in full compliance of federal, state and local regulations pertaining to the used oil operation.

The responsible party expressed an interest in meeting the order, but EPA needed evidence of financial assurance. On April 24, 2006, the responsible party was not able to secure a loan and therefore was not able to comply with EPA's Order.

**2. Physical Location:**

The Site consists of approximately 4 acres and is located in a mixed residential/commercial area of town. The site is surrounded by a residence on three sides.

**3. Site Characteristics:**

The Site is comprised of two businesses: Joe Sikes Oil Services and R&W Sanitation Services. The facility consists of approximately 30 above ground tanks, a building that contains oil process equipment and an office building. The only area that is fenced is the immediate area surrounding the tanks. The building containing the oil processing area has several tanks, trenches and equipment containing used oil/gasoline mix and oil sludge.

**4. Release or Threatened Release into the Environment of a Hazardous Substance or Contaminant:**

The facility has approximately 30 above ground storage tanks that may contain used oil, oil/water mix, off-road diesel, non PCB transformer oil, sludge water, and oil/gasoline mix. The 30 tanks have not had integrity testing done on them, may not have proper containment, and some may contain flammable liquids. A review of facility records indicates that the responsible party received other waste material besides waste oil. Other wastes include antifreeze, mineral spirit wastes, paint wastes, and sulfuric acid. It is not known if these suspected hazardous materials are being stored inside one of the tanks on site.

**5. National Priority List (NPL) Status**

This Site is not on the NPL nor is it likely to go on the NPL in the future.

**6. Maps, Pictures, and Other Graphic Materials**

Maps, pictures and other graphic materials are attached to these files.

**B. Other Actions to Date****1. Previous Actions**

On May 5, 2006, EPA's ERRS contractor (KEMRON) started work on the site. The initial phase of the removal action required the collection of waste profile samples of more than 30 above ground storage tanks. Also, ERRS determine the amount of material in each tank.

ERRS removed all the liquid waste oil and waste water, and drums located at the site. A total of 58,921 gallons of hazardous oil, 60,308 gallons of hazardous waste water, 25,009 gallons of non-hazardous waste water and 1525 gallons of miscellaneous waste paint, corrosives and other materials from drums were disposed. During the disposal process, several loads of hazardous oil were found to contain methyl ethyl ketone (MEK). MEK is used as a cleaning solvent.

In addition, 40 tons of soil that had been left behind by the responsible party was sent to a landfill. During the initial emergency, the responsible party had removed petroleum contaminated soil and placed it in a roll-off box and stockpiled the rest in a building. The responsible party did not have funds to perform the soil disposal. EPA disposed of the soil so that the roll-off box could be returned to the rental company.

Once all of the oil was removed, ERRS proceeded to remove some minor quantity oil sludge from the tanks. As the sludge removal process continued, it was evident that the tanks had very thick sludge and would require additional funds.

**2. Current Actions**

Currently, there are four above ground storage tanks that in total contain 20,000 gallons of oil sludge. The four remaining tanks represent the most difficult tanks and therefore will require the most effort. Because of the quantity and viscosity of the material, special equipment will be needed to move the material from the tanks and into sludge boxes. This process cannot be shut down once is started. Because additional funding is needed, the OSC decided not to continue with the sludge removal operations until it can be funded fully. There is also a probability that some of the potential responsible parties that sent waste oil to Sikes Oil Services will take over this process. EPA is going to pursue the enforcement process and ask the PRPs to perform the sludge removal work.

C. State and Local Authorities' Roles

The ERRB will coordinate with state and local response agencies to insure that an appropriate contingency plan is established for response to off-site release(s) of hazardous substances while the removal action is conducted.

ERRB will coordinate with city/county public service agencies to distribute and disseminate relevant information regarding site activities to the public, as needed.

III. **THREATS TO PUBLIC HEALTH OR WELFARE OR THE ENVIRONMENT AND STATUTORY AND REGULATORY AUTHORITIES**

A. Threats to Public Health or Welfare

The EPA OSC has determined that a release, as defined by Section 101 of CERCLA, is actual and ongoing. Therefore, site conditions meet the requirements for initiating a time-critical removal action according to the criteria listed in Section 300.415 of the National Contingency Plan (NCP).

**§300.415(b)(2)(i) - Actual or potential exposure to nearby populations, animals, or the food chain from hazardous substances.**

Access to the facility and grounds is not controlled. The facility is surrounded by three residences and children live in close proximity to the site. An Agency for Toxicity Substance and Disease Registry (ATSDR) petitioned health consultation indicated that these residences use individual wells for their domestic water supply. There are no barriers that would prevent children from entering the Site. Trespassers or vandals could easily access the Site and be exposed to hazardous substances or create a spill.

**§300.415(b)(2)(ii) - Actual or potential contamination of drinking water supplies or sensitive environments.**

At this time it is unknown if the drinking water supplies are contaminated. EPA will conduct ground monitoring sampling to investigate extent of contamination, if any.

**§300.415(b)(2)(iii) - Hazardous substances or pollutants or contaminants in drums, barrels, tanks, or other bulk storage containers, that may pose a threat of release.**

The facility has more than 30 tanks that contain waste oil/gasoline mix, off-road diesel, non PCB transformer oil, waste water, and used oil. There are unsecured above ground storage tanks that contain flammable liquids in them. Approximately a total of 130,000 gallons of material is being stored on site. According to an SPCC inspection performed on August 16, 2005, the facility did not have adequate secondary containment, integrity testing of the above ground storage tanks, and the compatibility of the stored material with the material and construction of all bulk storage tanks was questionable. The tanks indicate signs of corrosion. If the tanks are left unattended, there is a strong possibility that one of them will fail and spill its contents to nearby residences or a creek.

**§300.415(b)(2)(iv) - High levels of hazardous substances or pollutants or contaminants in soils largely at or near the surface, that may migrate.**

The responsible party has removed contaminated soil from the soil, but there is no evidence of confirmatory sampling. ERRB will need to perform a soil assessment near the incident area. Facility records indicate that the responsible party received others waste including sulfuric acid, ethylene glycol, mineral spirits and paint. There may be a slight chance the any of these substances may in one of the stored tanks on site.

**§300.415(b)(2)(v) - Weather conditions that may cause hazardous substances or pollutants or contaminants to migrate or be released.**

Some of the stored material has separated into phases and the more flammable phase is in the upper portion of the tank. A lightning strike to one of the tanks may cause a fire or explosion. The tanks have been put out of service by the State Fire Marshall Office and the owner/operator does not have the necessary funds to bring it back into compliance. A tank failure may occur due to the lack of maintenance and continued exposure to the elements.

**§300.415(b)(2)(vi) - Threat of fire or explosion.**

The facility has at least 30 fixed above ground storage tanks. The State Fire Marshall Office and Occupational Safety and Health Administration (OSHA) collected samples and performed flashpoints tests on more than 16 tanks. Both agencies found several tanks containing material with flashpoints of 100°F, 63.6°F, 87.6°F, 58.1°F, 65.4°F. Substances exhibiting a flashpoint below 140°F, are classified as an ignitable (D001). The Site already had a fire/explosion incident due to an open flame. Due to the lack of site security, there is a strong possibility that a fire or explosion could occur.

**§300.415(b)(2)(vii) - The availability of other appropriate federal or state response mechanisms to respond to the release.**

No other State or Federal agencies will be able to conduct the clean up.

**§300.415(b)(2)(viii) - Other situations or factors that may pose threats to public health or welfare of the United States or the environment.**

No other applicable situations or factors have been identified in the case of this site.

#### **IV. ENDANGERMENT DETERMINATION**

Actual or threatened releases of hazardous substances from this Site, if not addressed by implementing the response action selected in this Action Memorandum, may present an imminent and substantial endangerment to public health, or welfare, or the environment.

#### **V. EXEMPTION FROM STATUTORY LIMITS**

The Site continues to present a threat to public health, welfare and the environment which can only be mitigated through the continuation of the removal action. Conditions at the Site meet the emergency exemption criteria pursuant to CERCLA section 104(c)(1)(i), (ii) and (iii) and are sufficient to warrant a continued removal action based upon those factors listed under section 300.415 (b) (2) of the NCP.

The request for the 12 month exemption from the statutory limit will allow EPA to continue to address contamination on the Site.

##### **A. Emergency Exemption**

###### **1. Immediate threat**

There is an immediate risk to public health or welfare or the environment. Without the continuation of the removal, residents in the area may be exposed to used oil/sludge that contains cadmium, chromium, lead, and halogens.

**2. Continued response actions are immediately required to prevent, limit, or mitigate an emergency.**

If a removal action does not take place, area residents may be exposed to high levels of contamination. Analytical results indicated the substance in the tanks and drums are considered to be a hazardous waste under 40 CFR § 279.10 (b)(ii).

**3. Assistance will not otherwise be provided on a timely basis.**

The State and local agencies do not have the financial and contractual resources necessary to conduct the removal activities required to mitigate the threats present at the Site. The attached Enforcement Addendum provides information regarding the PRP's and status of EPA's enforcement activities to date. The threats described in this action memo will only be mitigated by implementing this removal action.

**VI. PROPOSED ACTIONS AND ESTIMATED COSTS**

**A. Proposed Actions**

Due to the inherent uncertainties associated with removal site actions, the OSC, in a manner consistent with the NCP, may need to modify removal procedures as conditions warrant.

**1. Proposed Action Description**

ERRS performed all of the proposed removal actions as stated in the original Action Memorandum. Most of the funds previously requested in the initial Action Memorandums have been utilized to remove oil/water mix initially estimated. The work took longer because of the viscosity of the material. Additional funds are being requested to address the following:

- a. Dispose of oil in a sludge box and waste water from a tank.
- b. If the PRPs do not agree to remove the remaining 20,000 gallons of sludge, then ERRB will complete this portion of the removal. We will continue to pursue the PRP option.

**2. Description of Alternative Technologies**

Off-site disposal will be the most cost effective and environmentally sound alternative for the contaminated soil and sludge.

**3. Engineering Evaluation/Cost Analysis (EE/CA)**



An EE/CA is not required due to the time-critical nature of this removal action.

#### 4. **Applicable or Relevant and Appropriate Requirements (ARARS)**

On-site removal activities conducted under the CERCLA are required to attain ARARs to extent practicable considering the exigencies of the situation. Off-Site removal activities need only comply with all applicable Federal and State laws, unless there is an emergency. All waste transferred off-site will follow the CERCLA Off-site rule. Because this action is being conducted in an expedited manner, EPA will send a letter later to GAEPD requesting any State ARARs that GAEPD would like EPA to consider regarding this removal action.

#### 5. **Project Schedule**

The removal action was initiated in May 2005. The original estimated completion time has changed due to the difficulty of handling and preparing for disposal of the material. Work will commence within 10 days of the signing of this action memo and the work will be completed within 2 weeks. This schedule is for the removal of waste oil in an EPA rented sludge box and wastewater. The removal schedule of the remaining 20,000 gallons of sludge located in 4 tanks will depend on the enforcement process.

### **REMOVAL PROJECT CEILING ESTIMATE**

#### **EXTRAMURAL COSTS:**

	<b>Current Ceiling</b>	<b>Proposed Increased</b>	<b>New Ceiling</b>
<b><u>Regional Removal Allowance Costs:</u></b>			
ERRS Cleanup Contractor	\$390,000	\$150,000	\$540,000
USCG/START	\$0	\$30,000	\$30,000
Bureau of Reclamation	N/A	N/A	N/A
ERRS Contingency	\$0	\$50,000	\$50,000

**Other Extramural Costs Not Funded  
From the Regional Allowance:**

**Proposed actions:**

Additional funds are needed to finish removing 4,000 gallons of oil and 5,000 gallons of wastewater. The oil is in a sludge box that is being rented by ERRS. This work shall be completed in approximately a 2 week period. This action will ensure that no free liquids will remain on this site. EPA will spend around \$45,000 of removal funds to finish the disposal of free liquids.

The only work remaining to be performed is the removal of 20,000 gallons of sludge material. This remaining sludge material is very viscous and will require extra handling time and preparation for disposal. The Enforcement process has identified a list of PRPs and EPA has asked them to take over this part of the removal. It is estimated that it may cost close to \$100,000 to perform this work.

**REMOVAL PROJECT CEILING ESTIMATE****EXTRAMURAL COSTS:**

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ERRS Contingency	\$0	\$50,000	<b>\$50,000</b>
<b><u>Other Extramural Costs Not Funded From the Regional Allowance:</u></b>			
EPA Extramural Costs	\$30,000	\$0	\$0
<b>Total, Extramural Costs</b>	<b>\$420,000</b>	<b>\$230,000</b>	<b>\$650,000</b>

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EPA Extramural Costs	\$30,000	\$0	\$0
Total, Extramural Costs	\$420,000	\$230,000	\$650,000

## **VI. EXPECTED CHANGE IN THE SITUATION SHOULD ACTION BE DELAYED OR NOT TAKEN**

If action is significantly delayed or not taken at the Site, the threats explained in Section III of this Action Memorandum will significantly increase.

## **VII. OUTSTANDING POLICY ISSUES**

None

## **VIII. ENFORCEMENT**

On August 25, 2005, EPA sent a combined RCRA/CERCLA order describing the actions to be taken by the responsible party. The Responsible party showed a willingness to perform the removal, but they were not able to secure a loan from the bank. The PRP responded in writing that he does not have the financial means to conduct the removal action. For this reason, EPA will be conducting a fund-lead removal action. For additional enforcement strategy information, see attached enforcement addendum.

The total EPA costs for this removal action based on full-cost accounting practices that will be eligible for cost recovery are estimated to be \$952,575 using the following formula: (Total Removal Project Ceiling + EPA Direct Intramural Costs) + (46.55 % x (Total Removal Project Ceiling + EPA Direct Intramural Costs)) or (620,000+\$30,000) + ( 46.55%x (650,000) = \$952,575.(1)

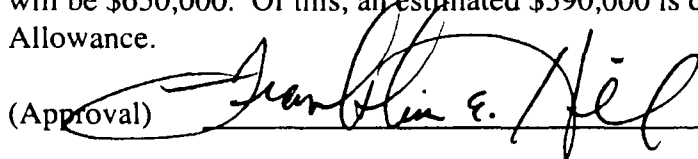
1 Direct Costs include direct extramural costs and direct intramural costs. Indirect costs are calculated based on an estimated indirect cost rate expressed as a percentage of site-specific direct costs, consistent with the full cost accounting methodology effective October 2, 2000. These estimates do not include pre-judgment interest, do not take into account other enforcement costs, including Department of Justice costs, and may be adjusted during the course of a removal action. The estimates are for illustrative purposes only and their use is not intended to create any rights for responsible parties. Neither the lack of a total cost estimate nor deviation of actual total costs from this estimate will affect the United States' right to cost recovery.

**IX. RECOMMENDATION**

This decision document represents the selected removal action for the Sikes Oil Site, in Arcade, Jackson County, Georgia developed in accordance with CERCLA, as amended, and not inconsistent with the NCP. This decision is based on the Administrative Record for the site.

Conditions at the Site meet the NCP section 300.415 (b)(2) criteria for a removal and I recommend your approval of the proposed removal action. The total project ceiling if approved will be \$650,000. Of this, an estimated \$590,000 is derived from the Regional Removal Allowance.

(Approval)



Date:

3/27/07

(Disapproval)

Date:

Franklin E. Hill, Acting Director  
Superfund Division

Attachment